

HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

HARTFORD FIRE BOARD

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2
BASIC FINANCIAL STATEMENTS	
Government Wide Statement of Net Assets	3
Government Wide Statement of Activities	4
Governmental Fund Balance Sheet	5
Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balance	6
Notes to the Financial Statements	7-15
SUPPLEMENTAL INFORMATION AND ADDITIONAL INFORMATION	
Budgetary Comparison Schedule - General Fund	16
Budgetary Comparison Schedule - Capital Projects	17

INDEPENDENT AUDITOR'S REPORT

October 23, 2008

To the Hartford Fire Board
Van Buren County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hartford Fire Board, Van Buren County, Michigan as of and for the year ended June 30, 2008, which collectively comprise the Fire Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Hartford Fire Board, Van Buren County, Michigan management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hartford Fire Board as of June 30, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The accompanying management's discussion and analysis and budgetary comparison information as noted in the table of contents are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hartford Fire Board's basic financial statements. The accompanying other supplemental information, as identified in the index, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Angle & Steffes, P.C.
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Fire Board as a whole and present a long-term view of the Fire Board's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Fire Board's operations in more detail than the government-wide statements.

The Fire Board as a Whole

The Hartford Fire Board's financial position has remained stable over the past years. The fire service charges and community contracts support the operational expenses of maintaining the fire services.

Government Wide Statements

	2008	2007
<u>Assets</u>		
Current and other assets	\$ 222,140	\$ 481,374
Grants Receivable	0	0
Total Assets	\$ 222,140	\$ 481,374
<u>Liabilities</u>		
Current Liabilities	526	25,726
Total Liabilities	\$ 526	\$ 25,726
<u>Net Assets</u>		
Restricted for Capital Equipment	14,600	272,960
Unrestricted	207,014	182,688
Total Net Assets	\$ 221,614	\$ 455,648
<u>Revenues</u>		
Operating contributions	287,558	136,181
Charges for Services	1,731	1,813
Interest and other revenues	11,951	32,246
Total Revenues	\$ 301,240	\$ 170,240
<u>Expenses</u>		
Public Safety	535,274	313,661
Total Expenses	\$ 535,274	\$ 313,661

The Fire Board's Funds

This report represents an accurate view of the operation of the Hartford Fire Board for the year ended June 30, 2008. The Fire Board is in good financial shape and we have healthy reserves.

We received and put into service a 75' ladder truck this year. The funding for the new truck came from a millage, donations, and board funds earmarked for truck repairs. Later this year we will pay off a small bridge loan that the Township and the City have secured to finish paying for the truck.

We have had a good year in the Fire Department. The Chief is doing a good job, and we have added some new firemen.

Contacting the Fire Board's Management

This financial report is intended to provide our community with a general overview of the finances of the Hartford Fire Board and to show the Fire Board's accountability of the monies that it receives. Copies of the financial report are available through the Fire Board's office. If you have any questions about this report or need additional information, we welcome you to contact the Chairman of the Fire Board.

**HARTFORD FIRE BOARD
GOVERNMENT WIDE STATEMENT OF NET ASSETS
JUNE 30, 2008**

	<u>Primary Government</u>	
	<u>Activities</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 222,140	\$ 222,140
Investments	0	0
Receivables - net	0	0
Prepays	0	0
Capital assets - net	<u>0</u>	<u>0</u>
 Total Assets	 <u>222,140</u>	 <u>222,140</u>
 LIABILITIES		
Accounts payable	526	526
Accrued and other liabilities	0	0
Noncurrent Liabilities		
Due within one year	0	0
Due in more than one year	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>526</u>	 <u>526</u>
 NET ASSETS		
Invested in Capital Assets		
Restricted For		
Public safety	<u>221,614</u>	<u>221,614</u>
 Total Net Assets	 <u>\$ 221,614</u>	 <u>\$ 221,614</u>

The Notes to Financial Statements are an integral part of this statement.

HARTFORD FIRE BOARD
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Public safety	\$ 535,274	\$ 1,731	\$ 287,558	\$ 0	\$ (245,985)	\$ 0	\$ (245,985)
Total Governmental Activities	535,274	1,731	287,558	0	(245,985)	0	(245,985)
Total Primary Government	<u>\$ 535,274</u>	<u>\$ 1,731</u>	<u>\$ 287,558</u>	<u>\$ 0</u>	(245,985)	0	(245,985)
General Revenues							
Investment earnings					11,250	0	11,250
Miscellaneous					701	0	701
Transfers					0	0	0
Total General Revenues-Special Items and Transfers					11,951	0	11,951
Change in Net Assets					(234,034)	0	(234,034)
Net Assets-Beginning					455,648	0	455,648
Net Assets-Ending					<u>\$ 221,614</u>	<u>\$ 0</u>	<u>\$ 221,614</u>

HARTFORD FIRE BOARD
GOVERNMENTAL FUND BALANCE SHEET
June 30, 2008

	General Fund	Capital Equipment Fund	Total Governmental Fund
ASSETS			
Cash and cash equivalents	\$ 207,540	\$ 14,600	\$ 222,140
Investments	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>207,540</u>	<u>14,600</u>	<u>222,140</u>
LIABILITIES			
Accounts payable	526	0	526
Due to other funds	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>526</u>	<u>0</u>	<u>526</u>
FUND BALANCES			
Reserved for			
Equipment purchases	0	14,600	14,600
Unreserved	<u>207,014</u>	<u>0</u>	<u>207,014</u>
Total Fund Balances	<u>\$ 207,014</u>	<u>\$ 14,600</u>	\$ 221,614

Net Assets of Governmental Activities \$ 221,614

The Notes to Financial Statements are an integral part of this statement.

HARTFORD FIRE BOARD
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
June 30, 2008

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Grants	\$ 0	\$ 0	\$ 0
Contributions from local units	125,691	161,867	287,558
Charges for services	1,731	0	1,731
Interest and rentals	7,577	3,673	11,250
Donations	0	0	0
Other revenue	701	0	701
	<hr/>	<hr/>	<hr/>
Total Revenues	135,700	165,540	301,240
Expenditures			
Current			
Public safety	111,213	0	111,213
Capital outlay	424,061	0	424,061
	<hr/>	<hr/>	<hr/>
Total Expenditures	535,274	0	535,274
Excess of Revenues Over (Under)			
Expenditures	(399,574)	165,540	(234,034)
Other Financing Sources (Uses)			
Transfers in	423,900	0	423,900
Transfers (out)	0	(423,900)	(423,900)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	423,900	(423,900)	0
Excess of Revenue and Other Sources Over (Under)			
Expenditures and Other Uses	24,326	(258,360)	(234,034)
	<hr/>	<hr/>	<hr/>
Fund Balance- beginning	182,688	272,960	455,648
	<hr/>	<hr/>	<hr/>
Fund Balance-ending	\$ 207,014	\$ 14,600	\$ 221,614
	<hr/>	<hr/>	<hr/>

The Notes to Financial Statements are an integral part of this statement.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hartford Fire Board was created pursuant to the provisions of Section 6, Act 33, Public Acts of Michigan, 1951, as amended, for the purpose of providing fire protection and related services for the City of Hartford and the Township of Hartford.

The accounting policies of the Hartford Fire Board conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Fire Control Board Activity. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is a Special Revenue Fund of the Fire Board. The Capital Project Fund is used to account for the proceeds of specific revenue that are legally restricted to expenditures for specified purposes.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

(continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule would be charges between the government's enterprise funds and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. The Fire Control Board does not have enterprise funds.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments-Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown as net of allowance for uncollectible amounts.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Fire Equipment & Fire Trucks	07 to 25 years
Vehicles	03 to 05 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years

Capital Assets are owned by the City of Hartford and Township of Hartford 50/50 share.

Fund Equity-In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements do not differ from the Governmental fund financial statements. No debt or fixed assets are recorded by the Fire Board.

Governmental Fund Balances	\$ 221,614
Net Assets of Governmental Activities	<u>\$ 221,614</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information-The Fire Board follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Board approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Board, therefore, the level of budgetary responsibility is by total appropriations however, for report purposes, this level has been expanded to a functional basis (Public Safety).
3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year the Local Government Unit did not exceed the budget.

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 4 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Total Primary Government</u>
Cash and Cash Equivalents	\$ 222,140	\$ 222,140

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 222,140
Investments in Securities, Mutual Funds and Similar Vehicles	-
Petty Cash and Cash on Hand	-
Total	<u>\$ 222,140</u>

The bank balance of the primary government's deposits is \$221,140 of which \$200,140 is covered by federal depository insurance.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major, nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	Major Funds		
	General Fund	Capital Equip Fund	Total
Grants Receivable	\$ 0	\$ 0	\$ 0
Due from other funds	0	0	0
Less: allowance for uncollectibles	0	0	0
Net Receivables	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

NOTE 6 - CAPITAL ASSETS

Capital Assets purchased by the Hartford Fire Board are owned by the City of Hartford and the Township of Hartford on a 50/50 share basis. Any debt required to purchase assets is also the responsibility of the larger governmental units.

The Hartford Fire Board made an initial deposit on a new fire truck in the amount of \$ 169,220 during the prior fiscal year. The new fire truck, a 75' Aerial Fire Apparatus with 1,000 gallon water tank and 1,500 gpm water pump, has been contracted for a purchase price of \$593,281. The first deposit was paid in May 2007, a second payment of \$220,122 made August 2007, and the remaining balance of \$203,939 was paid in April 2008. The fire truck will be jointly owned by the Township and City of Hartford, and the Hartford Fire Board monitors the equipment and facility's conditions to keep all in good repair.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 7 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds			
<u>Receivable Fund</u>		<u>Payable Fund</u>	<u>Amount</u>
Capital Equipment Fund	\$ 0	General	\$ 0
Total	<u>\$ 0</u>		<u>\$ 0</u>

There are no interfund balances outstanding.

Interfund Transfers

<u>Transfers In</u>	<u>Transfers (Out)</u>		
	<u>General Fund</u>	<u>Capital Equipment Fund</u>	<u>Total</u>
General Fund	\$ 0	\$ 423,900	<u>\$ 423,900</u>
Total	<u>\$ 0</u>	<u>\$ 423,900</u>	<u>\$ 423,900</u>

The capital equipment fund transferred funds to the General Fund to pay for the remaining balance due on an aerial fire truck. The general fund disbursed the funds to the fire truck company in August of 2007 and April 2008.

**HARTFORD FIRE BOARD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 9 - LOCAL UNIT CONTRIBUTIONS & CONTRACT REVENUES

The annual approved budget for operations and capital equipment reserves is supported by contributions from the member units of the Fire Board in proportion to their respective share - determined by a formula that incorporates population, risk, percentage of fire runs in a unit's area, etc. The City of Hartford contributed a total of \$55,275, with \$5,000 in capital equipment restrictions. The Township of Hartford contributed a total of \$80,415, with \$5,000 in capital equipment restrictions.

The City of Hartford and the Township of Hartford collect a special tax millage for the Fire Board for the purchase of a 75' Aerial Fire Truck. The special millage will run for two years and will cover the remaining balance due on the fire truck. The City of Hartford contributed a total of \$45,071 and the Township of Hartford contributed a total of \$41,796 for the year ended June 30, 2008.

The City of Hartford and the Township of Hartford jointly obtained a promissory note in the amount of \$65,000. from Chemical Bank in April 2008 to pay the remaining balance of the fire truck purchased. The promissory note carries an interest rate of 3.79% with principal and interest to be paid in full on or before two (2) years from April 2008. The City of Hartford and the Township of Hartford contributed the \$65,000. to the Fire Board in April 2008.

The Fire Board also provides services to the Township of Bangor (not a member unit), collecting \$491 in revenues.

REQUIRED SUPPLEMENTAL INFORMATION

**HARTFORD FIRE BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2008**

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	\$ 182,688	\$ 182,688	\$ 182,688	\$ 0
Resources (Inflows)				
Grants	0	0	0	0
Contributions from local units	125,690	125,690	125,691	1
Charges for services	1,960	1,800	1,731	(69)
Interest and rentals	6,500	8,739	7,577	(1,162)
Donations	0	0	0	0
Miscellaneous revenues	700	581	701	120
Transfers from other funds	<u>422,645</u>	<u>422,645</u>	<u>423,900</u>	<u>1,255</u>
Amounts Available for Appropriation	740,183	742,143	742,288	145
Charges to Appropriations (Outflows)				
Public Safety				
Salaries	38,650	38,650	29,921	8,729
Payroll taxes	3,000	2,984	2,305	679
Operating supplies	6,000	6,000	3,072	2,928
Utilities	11,233	11,004	8,120	2,884
Repair & maintenance/fuel	35,407	35,391	28,490	6,901
Training expense	4,000	4,000	5,491	(1,491)
Insurance	22,800	22,800	27,660	(4,860)
Legal and professional	5,400	5,400	4,332	1,068
Miscellaneous/bank service charges	1,000	0	1,822	(1,822)
Capital outlay				
Other capital outlay	<u>422,645</u>	<u>422,645</u>	<u>424,061</u>	<u>(1,416)</u>
Total Charges to Appropriations	<u>550,135</u>	<u>548,874</u>	<u>535,274</u>	<u>13,600</u>
Budgetary Fund Balance-June 30	<u>\$ 190,048</u>	<u>\$ 193,269</u>	<u>\$ 207,014</u>	<u>\$ 13,745</u>

**HARTFORD FIRE BOARD
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Beginning of Year Fund Balance	\$ 272,960	\$ 272,960	\$ 272,960	\$ 0
Resources (Inflows)				
Contributions from local units	220,000	220,000	161,867	(58,133)
Interest	<u>12,595</u>	<u>12,595</u>	<u>3,673</u>	<u>(8,922)</u>
Amounts Available for Appropriation	<u>505,555</u>	<u>505,555</u>	<u>438,500</u>	<u>(67,055)</u>
Charges to Appropriations (Outflows)				
Public Safety				
Capital Outlay	0	0	0	0
Transfers to General Fund	<u>430,045</u>	<u>430,045</u>	<u>423,900</u>	<u>6,145</u>
Total Charges to Appropriations	<u>430,045</u>	<u>430,045</u>	<u>423,900</u>	<u>6,145</u>
Budgetary Fund Balance-June 30	<u><u>\$ 75,510</u></u>	<u><u>\$ 75,510</u></u>	<u><u>\$ 14,600</u></u>	<u><u>\$ (60,910)</u></u>

Angle & Steffes, PC
Certified Public Accountants
424 Western Ave Ste A
Allegan, MI 49010
269-686-9050
mail@anglesteffes.com

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

October 23, 2008

Hartford Fire Board
Fire Board Members
Van Buren County, MI

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hartford Fire Board, Van Buren County, Michigan, as of and for the year ended June 30, 2008, which collectively comprise the Fire Board's basic financial statements and have issued our report thereon dated October 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Hartford Fire Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hartford Fire Board, Van Buren County, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fire Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Fire Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Fire Board's financial statements that is more than inconsequential will not be prevented or detected by the Fire Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Fire Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hartford Fire Board, Van Buren County, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We note certain matters for management's attention and improvement, those control deficiencies that are not considered significant deficiencies or material weaknesses involving internal control:

Uninsured Funds

The FDIC's regulations governs the insurance coverage of public units' accounts. The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the same bank within the State are added together and insured up to \$100,000. Separately, all demand deposits owned by the public unit and held by the same bank within the State are added together and insured up to an additional \$100,000. The Fire Board maintains demand and savings deposits in one bank totalling \$222,140 as of June 30, 2008. Of these funds, \$22,001 is uninsured by the FDIC. We recommend that additional Michigan banks be utilized to cover Fire Board funds in FDIC insured accounts.

Budgetary Oversight

We noted budget variances in the General Fund activity. The following accounts exceeded budget provisions:

General Fund:

Public Safety:	Budget	Actual
Training expense	\$ 4,500	\$ 5,491
Insurance	\$22,800	\$27,660
Misc/bank service charges	\$ 0	\$ 1,822

We recommend close review of the budget, quarterly review and reporting, to maintain control over expenditures.

This report is intended solely for the information and use of management and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Angle & Steffes, P.C.
Certified Public Accountants
Allegan, Michigan